

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LYDA)	CASE NO. 9600-A
GAS COMPANY)	

O R D E R

On October 1, 1986, the Commission issued its Order in Case No. 9600 providing for the adjustment of rates when the wholesale cost of gas is increased or decreased or a refund is received.

On December 28, 1989, Lyda Gas Company ("Lyda") notified the Commission that its wholesale cost of gas increased due to an emergency situation caused by the necessity to replace a non-producing source of gas with gas purchased from a gas pipeline. Lyda submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) Lyda's notice of December 28, 1989 set out an increase in wholesale gas cost of \$8,481 or \$2.23 per Mcf.

(2) Due to an emergency situation caused by the necessity to replace a non-producing source of gas, Lyda commenced gas purchases on December 22, 1989 from Equitable Resources by

contract at a rate which tracks the GSS-1 rate of Kentucky-West Virginia Gas Company ("Ky-West"). Lyda requested a waiver of the 30-day filing requirement. Pursuant to KRS 278.180, upon Lyda's showing of good cause, Lyda's effective date for the increase should be on and after the date of this Order. Ky-West's rates are subject to refund; therefore, Lyda's rates should be subject to refund.

(3) Lyda's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9600 dated October 1, 1986 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after the date of this Order, subject to refund.

(4) In all future PGA filings, Lyda should provide documentation from its supplier of any rate adjustment.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after the date of this Order, subject to refund.

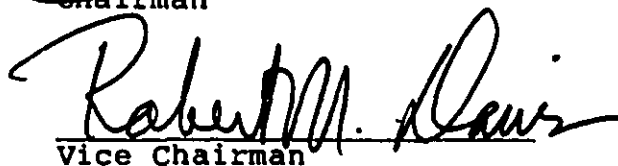
(2) Within 30 days of the date of this Order, Lyda shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Lyda shall file documentation from its supplier of any rate or supplier changes in future purchased gas adjustments.

Done at Frankfort, Kentucky, this 19th day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9600-A DATED 1/19/90

The following rates are prescribed for the customers served by Lyda Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES: Monthly

First 2 Mcf or Less	\$9.4508 (Minimum Bill)
All Over 2 Mcf Per Month	5.8554 Per 1,000 Cu. Ft.

The base rate for the future application of the purchased gas adjustment clause for Lyda Gas Company shall be:

	<u>Commodity</u>
Equitable Resources	2.8962/Dth*

*Including \$0.0151 per Dth - Gas Research Institute Funding Charge and \$0.0018 per Dth Annual Charge Adjustment.